

DEVON AUDIT PARTNERSHIP FURTHER UPDATE JUNE 2021
Report of the Head of Devon Audit Partnership

Please note that the following recommendations are subject to confirmation by the Committee before taking effect.

Recommendations:

- i. That members note the role of the Chair of the Management Board of Devon Audit Partnership (DAP).
- ii. That members note the current process with regards recruitment of a replacement Deputy Head of Partnership
- iii. That members note the update provided with regards action from the Redmond Review

1. ROLE OF THE CHAIR OF THE MANAGEMENT BOARD

- 1.1 When considering the DAP Governance Arrangements it is important to note that the DAP agreement states:-

The Management Board shall be comprised of the Chief Finance Officer of each of the Councilsthe Chair of the Management Board shall be on a rotational basis with each Council having a member serve as Chair for one year

- 1.2 The Chair of the Management Board takes an active lead on steering the agenda for DAP Board and Partnership Committee meetings. The role of Chair is rotated on an annual basis (to share out the work-load). There is good merit in the Chair of the Board being from the same council as the Chair of the committee; the table below sets out the current (and future) Committee Chair expectations, with Torbay expected to be Chair in the 2021/22 year.

Financial year	Vice Chair	Chair
2017/18	Torrige	Plymouth
2018/19	Mid Devon	Torrige
2019/20	Devon	Mid Devon
2020/21	Torbay	Devon
2021/22	North	Torbay
2022/23	Plymouth	North
2023/24	Torrige	Plymouth

- 1.3 The role of the Chair is to support the Head of Partnership on :-
- Setting some key themes or challenges for the coming 12 months – often based on previous experience of receiving DAP services

- Receives from the Head of Partnership a more detailed financial insight to the Partnership and the budget
- Discusses permanent changes to staffing, in particular at a senior level (manager and above)
- Receives and approves performance reports from the Head of Internal Audit Partnership prior to the Board
- Receives and helps resolve disputes with Partners / customers should they arise
- Acts as a mentor to the Head of Partnership on wider issues affecting the Partnership (which could be wide ranging and may include accommodation, IT, professional standards etc).

2 REPLACEMENT FOR DEPUTY HEAD OF DEVON AUDIT PARTNERSHIP

2.1 As set out in the Devon Audit Partnership Annual Update Report, the Deputy Head of DAP (David Curnow) will retire on the 31 July 2021.

2.2 In terms of progress with regards a replacement the following should be noted:-

- Martin Phillips (s151 Torbay) as Chair of the Management board will support the Head of Partnership in the recruitment process
- The Job Description for the post was out of date; this has been updated and refreshed. It will now need to be re-evaluated (submitted for re-evaluation 11 June 2021)
- Once the re-evaluation has been completed, we will advertise – projected timescale: -
 - o Result of Job evaluation – by early July
 - o Advertise - early / mid July
 - o Closing date end August
 - o Shortlisting early September
 - o Interviews (supported by a “role-play” assessment process) early / mid September

3 REDMOND REVIEW – AN UPDATE

3.1 In September 2020 Sir Tony Redmond presented his report on the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting.

3.2 DAP prepared an “Action Plan” for each Partner to assist them in monitoring the completion of actions against the Redmond recommendations, although it is appreciated that a number of actions are dependent upon Ministry of Housing, Communities & Local Government (MHCLG) actions. Internal Audit received a minor mention in the Redmond report in that External Audit colleagues should look to work more closely with Internal Audit. The Chartered Institute of Public Finance and Accountancy (CIPFA) officers are giving consideration to preparing an explanatory note on Internal Audit / External Audit relationship and may seek steer from IASAB on this.

3.3 As part of his report Sir Tony recommended that Independent Members should be recruited to Audit Committees, with the aim of bringing in specialist, technical knowledge to support the other elected committee members. In their [response](#) to the report (17 Dec 2020) MHCLG said “we will work with key stakeholders such as CIPFA, the National Audit Office (NAO) and the Local Government Association (LGA) to ensure that, where appropriate, new guidance is issued which addresses the appointment of an independent member(s) to audit committees”. We are still awaiting this guidance.

- 3.4 DAP previously floated the idea of a “pool” of independent members being operated by DAP to serve more than one partner / audit committee; we have been trying to progress this but have found that DAP partners are in “different places” with regards permitting independent membership on committees, and if such attendance should be financial recompensed or not. It appears that we will have to wait until CIPFA / NAO issues specific instruction before we will be able to pursue this idea.
- 3.5 MHCLG published an update to their December response in [April 2021](#), which confirms financial support for the implementation of the recommendations of £15m in 2021/22 to meet an anticipated rise in audit fees, driven by new requirement on auditors and to enable Councils to develop standardised statements of service information and costs. A consultation exercise is being conducted on how this £15m should be allocated; closing date for views was the 17th May.
- 3.6 Of further note is the continued extension of the deadline for publishing audited accounts from 31st July to 30th September for a period of 2 years with a commitment to review again to see whether there is a continued need to have this extended deadline.
- 3.7 Finally, MHCLG have confirmed that a new independent body, the Office of Local Audit and Regulation (OLAR), will be created and be responsible for procurement, contract management, regulation and oversight of external audit. A White Paper has also been published setting out details of how the Government proposes to establish a new regulator, the Audit, Reporting & Governance Authority (ARGA) to replace the Financial Reporting Council (FRC), with strengthened with new powers to oversee the local government audit system.
- 3.8 The Public Sector Audit Appointments (PSAA) will continue as the appointing body for local audit, and work alongside the ARGA.

4. FINANCIAL CONSIDERATIONS

- 4.1 There are no financial considerations arising from this report. The cost of the replacement Deputy Head of Partnership is already accounted for within the approved DAP budget.

5. LEGAL CONSIDERATIONS

- 5.1 There are no specific legal considerations arising from this report.

6. ENVIRONMENTAL IMPACT CONSIDERATIONS (INCLUDING CLIMATE CHANGE)

- 6.1 There are no environment and environmental related issues arising from this report.

7. EQUALITY CONSIDERATIONS

- 7.1 There are no equality issues identified as arising from this report.

8. RISK MANAGEMENT CONSIDERATIONS

- 8.1 No risks have been identified from this report

9. PUBLIC HEALTH IMPACT

- 9.1 There are no implications on public health, or public health services, arising from this report.

Mary Davis, County Treasurer

LOCAL GOVERNMENT ACT 1972:

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